

Gila County Policy Cash Receipts and Deposits	Policy Number: BOS-FIN-010	Page
	Issued: 08-20-2012	1 of 1
	Revised: 00-00-0000	

**I. PURPOSE:**

The purpose of this policy is to provide guidelines for the handling of cash.

**DEFINITIONS:** Cash - currency, coin, money orders, checks, credit card transactions and Automated Clearing Housing (ACH) wire transfers. Other negotiable instruments may be considered cash.

**II. POLICY:**

Division of duties in the handling of cash is one of the most effective ways to ensure control over this asset. No individual is to have complete control in the handling of cash. Specifically, there is to be a separation of duties in the actual handling of cash, recording transactions, and reconciling bank accounts. Employees handling cash are to be assigned duties that are complementary to, or checked by, another employee. The person receiving cash must not have authority to sign checks and reconcile bank accounts and should not be able to access accounting records other than cash receipts.

The County is to follow all guidelines as outlined by Arizona Revised Statutes. The use of ACH direct transfers is the most effective and efficient means of handling receipts and deposits of cash and it is suggested that whenever possible this method be utilized. Receipts and deposits should be directed to the County's account with its servicing bank.

**SIGNATURES:**

  
CHAIRMAN, BOARD OF SUPERVISORS

8/20/12  
DATE

See attached Cash Receipts and Deposit Procedures

## Gila County

### CASH RECEIPT and DEPOSIT PROCEDURES

- A. Cash Receipt Forms - Cash receipt forms that are pre-numbered and numerically controlled must be prepared for all cash receipts. They may be handwritten or generated by a computer system or cash register.

When manual receipts are used, forms should be issued to cashiers in books or blocks. A responsible employee must be assigned to maintain custody of un-issued receipt forms in a secure location. A log may be used to record the sequence of receipts issued, date issued and to whom issued. This log should be reviewed periodically to account for all cash receipts.

- B. Mail Receipts - Mail receipts should be received by employees who are not responsible for maintaining accounting records. Whenever possible, mail is to be opened by two persons. Immediately upon receipt, all checks, warrants, drafts, and money orders must be restrictively endorsed "For Deposit Only" to the credit of the county.

A listing of all cash receipts should be prepared with the following information for each receipt: The name of the person or organization remitting the cash, the purpose for the remittance, the amount of the remittance and the form of the remittance (cash or check). Both employees should sign and date the listing to document responsibility for verifying the receipts and preparing the listing. At the end of the day, the mail receipts listing will be used to aid in preparing the daily cash receipts summary and reconciling cash collections to total receipts less refunds. Cash should be maintained in a safe or locked drawer until deposited with the Treasurer.

- C. Over - the - Counter - Receipts - At each location where cash is received over-the-counter, at least one employee should be designated as cashier. Access to cash registers and cash boxes should be restricted to cashiers. Each cashier should be assigned a separate cash drawer that only that cashier may access while on duty. This drawer should be locked during the cashier's absence. If cash registers are used, controls should include locked-in totals, visible amounts of sales, and receipts for customers, and over- under vouchers.

Receipts and tapes generated by cash registers should include the date, codes to identify the transaction, the clerk performing the transaction, the amount received, and a code for the department, if applicable. Computer generated and handwritten receipt forms should include the date, the name of the person remitting the cash, the purpose, and the amount received. If receipt forms are prepared manually, the cashier should initial the form to document responsibility for the receipt of cash.

A receipt should be provided to the person who made the payment and a copy retained. The cash received should be placed in the cash register, locked cash box, safe, or locked drawer.

If a cashier makes an error, the cash receipt form should be voided and retained for documentation and an over-ring - or under-ring voucher should be completed, if appropriate. The voucher should be approved by a supervisor.

### **Daily Cash Receipts Reconciliation**

A balance and summary of all cash receipts is to be prepared daily. Any shortages or overages are to be carefully investigated and, to the extent possible, corrected. The daily cash receipts summary should be signed by the cashier as preparer and the cashier should prepare a bank deposit slip. A supervisor should review for accuracy and completeness and sign the summary to document the review.

The cashier or another designated employee, other than the bank account custodian, should deposit the cash receipts with the County Treasurer. A validated bank deposit ticket should be obtained and attached to the daily cash receipts summary. The supervisor should compare the validated deposit ticket to a copy of the original deposit ticket and daily cash receipts summary to determine the proper amount was deposited. The daily cash receipts should be posted to the appropriate accounting record daily.

### **Cash Shortages/Overages**

1. If a shortage or overage occurs in the daily cash receipts, fully explain the variance in the daily cash receipts summary.
2. All overages in the daily cash receipts are to be deposited to the General Fund.
3. Any shortage in the daily cash receipts must be recorded as a reduction in revenue. Revenue cannot be recorded in excess of total cash receipts.
4. If excessive and/or repetitive shortages or overages persist in the daily cash receipts, the agency must take the applicable personnel actions to resolve the problem. This may include disciplinary action up to and including discharge of the employee.

### **Deposits**

Cash receipts should be deposited intact at least weekly. If the cash receipts are significant (i.e., over \$500), they should be deposited intact daily. There should be adequate physical facilities (i.e., fire proof safes, locking file cabinets) for the safeguarding of cash prior to deposit. Safe combinations and keys to cash boxes or files must be restricted to an essential number of employees.